

# Builders offer 30% bait for unsold commercial properties

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Trying to wade through the sluggish real estate market, developers have started coming up with various offers to lure buyers and dispose of commercial properties in the city.

Many prominent developers are asking buyers to make a down payment of 30-40% and own the property. Depending on the area and developer, buyers are also being given the option of paying the rest in instalments over five years with a fixed rate of interest or no interest at all, as op-

posed to taking a bank loan and trying to keep up with a floating rate of interest.

Anand Gupta, treasurer of the Builders' Association of India, admitted that developers are offering various schemes to survive the liquidity crunch in the market. "For more than a year now the real estate market has been in bad condition. Sales are not happening, and banks too aren't giving loans to developers. Owing to the IT and commercial boom, a lot of commercial spaces were constructed in the city. With many remaining unsold, developers have no option but to sell

the properties by coming up with innovative schemes to attract buyers," he said.

"There are doctors, advocates, chartered accountants, etc who want to buy space for clinics or offices but are unable to get loans easily. The scheme helps them own the property immediately," said Vyomesh Shah, managing director at Hubtown, who is offering this scheme in his projects — Solaris, Star and Viva — at Andheri.

Sunil Mantri, MD of the Mantri Group and chairman of the Indian Merchants' Chamber's real estate section, said his firm, too, is offering a similar scheme in Gore-



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gaon in Mumbai as well as in other cities. "We have asked buyers to pay 30% upfront and the rest over three years," he said. "Once a buyer pays the whole amount, the

property is registered in his/her name. It is a win-win for both parties."

Pankaj Kapoor, managing director of Liases Foras, the real estate research firm, said, "The rental value of commercial properties has come down significantly. Two years ago, in Lower Parel, the rate of a commercial property was Rs200 to Rs250/sq ft. It has gone down to Rs120-150. The situation is similar in other prime localities like BKC and Andheri. Hence, instead of reducing rates, developers are coming up with tempting offers."

● City property prices up by 87% in 4 yrs, p3